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New Survey on Farm Employee Compensation

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Over 20,000 people make their living each year as full-time employees on Iowa farms. Iowa State University and the Iowa office of the National Agricultural Statistics Service recently conducted a survey to study the wages and benefits they receive. Five percent of the employees included in the survey were female, and two percent were born outside the United States. The average employee had 15 years of experience working on a farm, nine of which were with the present employer.

The average compensation paid to these employees in 2005 was \$34,640 per year, before deductions for taxes. Cash wages accounted for \$28,275, or 81 percent of this total. In addition, the average employee received fringe benefits valued at \$5,356 and cash bonuses of \$1,010.

In a similar survey conducted in 1997 the average farm employee received \$26,914 in total compensation. The change represents an average annual increase of about 3.3 percent. Employees worked an average of 2,575 hours in 2005, so on an hourly basis cash wages averaged \$11.12 and total compensation averaged \$13.59.

The most significant benefit provided was some type of insurance plan, usually medical. Other common benefits included housing, meals, farm produce, work clothing, and recreational opportunities.

Factors such as farm size, employee duties, education and years of farm experience had a major influence on how much each employee was paid. For more details about the farm employee compensation survey see the information file link:

<http://www.extension.iastate.edu/agdm/wholefarm/html/c1-60.html>.

Handbook updates
For those of you subscribing to the handbook, the following updates are included.

Wages and Benefits for Farm Employees – C1-60 (8 pages)

Please add these files to your handbook and remove the out-of-date material.

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